



**ENVIRONMENTAL ASSESSMENT DECISION NOTICE
for the
Canyon Ferry WMA Agricultural Lease Renewals**

**Montana Fish, Wildlife & Parks
Region 3, Bozeman
April 2, 2014**

Preface

The enclosed Decision Notice has been prepared for the renewal of agricultural leases on the Canyon Ferry Wildlife Management Area. This proposal regards the renewal of existing agricultural leases for the next 5-year lease period (2014 – 2018) on the Canyon Ferry Wildlife Management Area near Townsend, MT.

This proposal is for the renewal of existing agricultural leases on the WMA, which are designed to produce agricultural crops and provide important wildlife habitat. There are 6 leases, solely hay and grain leases and one bee yard on the WMA. There are a total of 757 acres contained in the 6 leases: 648.2 acres are actually farmed by the lessees, 148.1 acres on these leases have been developed as wildlife cover, and 38.1 acres are set-aside grain left standing for wildlife, primarily upland birds.

These agricultural leases have been in place for many years and have been managed to produce agricultural crops including grain and hay. Additionally, areas adjacent to these croplands have been developed, in conjunction with the lessees, for wildlife cover and food including set-aside grain, shelterbelts, and nesting cover. This has been a very successful program for the lessees who produce a commodity and for the public that uses the area for wildlife viewing and hunting, benefitting from the additional habitat provided through these lease arrangements.

These leases are all cash leases. The process for setting lease rates is explained in detail in each lease agreement but is based on average rental rates for private lands in this part of Montana as reported by the National Agricultural Statistics Service. In addition, the lessees have helped in developing wildlife cover and leaving standing grain. FWP pays the lessee for farming operations done for the Department at standard rates set by the acre which are also described in lease agreements. The value of farming operations performed by the lessee for FWP is subtracted from cash lease rate to arrive at the final lease amount. Leases are written for a 5-year period; in this case the period would be 2014-2018.

Public Process and Comments

FWP is required by the Montana Environmental Policy Act (MEPA) to assess potential impacts of a proposed action to the human and physical environment. An Environmental Assessment (EA) in compliance with MEPA was completed for the proposed project by FWP and released for public comment on March 5, 2014.

The following alternatives were considered in this Environmental Assessment:

Alternative A: No action. Under this alternative, the agricultural leases would not be renewed.

Alternative B: Proposed Action. This alternative would renew 6 agricultural leases to four individuals and one bee yard lease on the east side of Canyon Ferry Wildlife Management Area (WMA) totaling approximately 650 acres of cropland. Each lease is managed in a hay-grain rotation, and all leases are required to retain a specified acreage of standing grain for annual wildlife food plots. Food plots, grain fields, and irrigated hay fields will directly benefit pheasant, deer, and other wildlife enhancing habitats associated with the WMA. The bee yard lease involves approximately 0.50 acres.

Public comments were taken for 14 days (through March 19, 2014). Legal notices were printed in the Townsend Star and Helena Independent Record. The Environmental Assessment was also posted on the FWP webpage: <http://fwp.mt.gov/publicnotices/>.

One party submitted comments. This respondent represented the Gallatin Wildlife Association. They did not clearly state nor imply support for either of the alternatives but did provide six points of concern that have been addressed in the Decision Notice.

Following is a summary of the comments received regarding the grazing lease renewal on Canyon Ferry Wildlife Management Area and FWP's response to them.

1. Are there any limits to FWP options under the agreement with the Bureau of Reclamation? Does the lease specify land uses, lease rates or options for any uses of water? Are there water rights involved and, if so, whose?

FWP's response: There are no specific limitations of FWP under the agreement with the Bureau of Reclamation other than FWP must adhere to Federal, state, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. Specific objectives for the WMA within the agreement include continued inundation of diked sub-impoundments to reduce wind-blown dust, to provide and manage wildlife habitat, and support public access including hunting, viewing, and hiking. All water rights involving the agricultural leases are held by the lessees (private shares).

2. What is the proposed lease rate for use of this land? Or, what has been the lease rate in recent years? Is the lease paid in cash, or by other considerations? Does FWP incur costs for any management, such as maintaining any fences or water structures?

FWP's response: The lease rental rates will be based on a three-year average of cash rental rates for the Central Montana District as reported by the National Agricultural Statistics Service. Payment is to be in cash due by March 1 each year for agricultural use conducted during that calendar year. Failure to pay the agreed upon rental or to provide the services set out by March 15 of the lease year automatically terminates this lease.

- A. *The lease rate will be determined on an annual schedule based on average cash rental rates reported by the National Agricultural Statistics Service (NASS) for Central Montana which includes Broadwater County. The Lessee is responsible for providing irrigation water shares for the agricultural leases. Because this value is provided by the lessee, the calculated value of this lease is based on the midpoint between irrigated and dryland cash value rental rates (as reported by NASS). To minimize substantial annual variation in rates, the lease rate is based on an average of three years of reported data. For example, the 2014 lease rate is an average of 2010, 2011, and 2012 NASS data.*
 - B. *The Lessee will be responsible for completing specific habitat work as part of the lease arrangement. The cost of the lease will be annually discounted for work to be completed. Farming costs are based on the most recent available information derived from the USDA Economic Research Service (ERS) for the Great Plains Region.*
 - C. *There are no additional costs incurred to FWP to maintain the CFWMA agricultural lease program other than personnel time to produce required agreements, documents, adjust rental rates, and perform performance reviews.*
3. There is no analysis of the no-action alternative. This seems to be a violation of the intent and requirement of the Montana Environmental Protection Act (MCA 75-1-201(1)(b)(iv)(C)(IV)). If this land is not used for agriculture, what biotic succession would occur, in the short and long term?

FWP's response: We acknowledge that we did not thoroughly evaluate the wildlife impacts of the no action alternative. We believe allowing the entire 5100 acres of the CFWMA to return to a "native" condition would greatly reduce wildlife productivity for a number of target species, mainly pheasants and white-tailed deer. Maintaining approximately 13 % of the area in well designed cultivation practices provides such overwhelming benefits to the productivity and biodiversity of the area that we failed to analyze this in detail. There are a variety of habitats throughout the CFWMA, but good quality food sources are considered to be limiting.

These leases have been farm ground for a hundred years. At this point, there is essentially no native vegetation on the agricultural leases. Aside from the cultural negative impacts, if annual farming operations and irrigation were not continued it is expected the land would become less productive from a wildlife stand point and become infested with noxious weeds and other undesirable species unless intensive rehabilitation were feasible. Species such as pheasant, white-tailed deer, and waterfowl are highly sought after by the hunting public and rely on the limited food resources that are provided by these agricultural leases that are managed in a wildlife friendly manner.

4. It must be an oversight to conclude that there are absolutely no impacts of this project on anything (all “analysis” tables). How can FWP conclude there are no impacts on the potential natural vegetation?

FWP’s response: It is not FWP’s position that there are no impacts on the potential natural vegetation if the agricultural leases were removed. We also realize that with the agricultural leases in place that certain species will benefit and others will not. With only approximately 13% of the entire WMA in non-native vegetation management, there is considerable native habitat available to meet the needs of all species that use the area. FWP is not recommending any expansion of the agricultural areas or increased disturbance of any natural vegetation.

5. Under the leases, what crops have been produced? What proportions of the fields must be left standing for wildlife uses?

FWP’s response: There are 6 individual agricultural leases on CFWMA. Each of those leases must maintain a system of hay- grain rotation which will be maintained to allow for approximately one half of the FWP acres to be in grain each year. Grain will consist of barley, wheat, or corn and will not be harvested as a hay or silage crop. Ten percent of each lease is required to be left as a standing winter food plot. Locations of the standing grain left in the fields will be determined by the Department and Lessee. Preparation of ground, fertilizer, seed, irrigation, and maintenance is a responsibility of the Lessee.

6. There is no information to support statements that this has been a successful program for pheasant, deer, or other wildlife. While the project has been conducted for many years, no data or even qualitative observations of wildlife uses of the area are provided. The EA offers no discussion of local limiting factors for any wildlife species nor a description of what habitats are common or rare in the surrounding area. There is no information on hunting, or other public uses, of the leased area.

FWP’s response: The roughly 5,100 acre Canyon Ferry Wildlife Management Area is a very heavily utilized public area that is open to hunters and recreationists of all types year round. Approximately 648 acres of it are in the agricultural lease program. These leased lands not only provide multiple benefits to a variety of wildlife species but they also provide agricultural commodities and generate economic returns to the community. Prior to the creation of Canyon Ferry Reservoir built by the Bureau of Reclamation (BOR) in 1954 and prior to FWP accepting wildlife management responsibilities for the CFWMA in signing a memorandum of understanding with the BOR in 1957, most of the now inundated land under Canyon Ferry Reservoir and the CFWMA itself was prime farm ground which was condemned and acquired by the BOR. There are still to this day, many negative feelings and resentment towards the BOR (and, because of our management of the WMA, FWP) for the removal of this productive farm and ranch land.

The leased areas are entirely open to the public and are managed just like the rest of the WMA for consumptive and non-consumptive uses. They provide a buffer zone where large numbers of deer and waterfowl can concentrate on public lands instead of causing damage and additional complaints from adjacent private landowners. It is not unusual to see up to one hundred white-

tailed deer and most recently up to three hundred elk utilizing the agricultural lease hay and grain even after crops have been removed. Moose and the occasional antelope graze on the agricultural leases. Waterfowl by the thousands utilize the agricultural leases both in the fall and spring time. The standing grain food plots which are left are especially important during the winter and in the spring for migrating waterfowl and resident upland birds. Ring-neck pheasant, partridge, and sandhill cranes are also regular visitors to the agricultural fields. With all of these game species readily available on public land, hunters quickly key in to these areas as well.

With the high hunting and recreational pressures occurring on the CFWMA, a wide variety of habitats and food sources are required to maintain bountiful wildlife populations on public lands, and the agricultural leases certainly provide necessary seasonal food sources during critical times of the year. By design, other security and nesting cover areas have been developed over time adjacent to the farmed ground. With participation from the Lessees along with their provided water, we have been able to provide multiple required habitats in close proximity of each other.

Decision

It is my decision, based on the Environmental Assessment and public comment, to approve the implementation of Alternative B. This alternative would renew 6 agricultural leases to four individuals and one bee yard lease on the east side of Canyon Ferry Wildlife Management Area (WMA) totaling approximately 650 acres of cropland, and that there will be no significant impacts on the human and physical environments associated with this project. I therefore conclude that the Environmental Assessment is the appropriate level of analysis and that an Environmental Impact Statement is not required.



Patrick J. Flowers
Region 3 Supervisor
Montana Fish, Wildlife & Parks

April 2, 2014

Date